

Message Text

SECRET

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11
ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-13 ACDA-07

AID-05 IGA-02 EB-07 TRSE-00 OMB-01 /091 W
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R 090612Z SEP 76
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 9318
INFO SECDEF WASHDC
CINCUNC
COMUSKOREA

S E C R E T SECTION 1 OF 2 SEOUL 7123

JOINT EMBASSY/JUSMAG MESSAGE

E.O. 11652: GDS
TAGS: MASS KS US
SUBJ: REPORT TO CONGRESS UNDER SECTION 688 OF THE FOREIGN
ASSISTANCE ACT OF 1961, AS AMENDED

REF: STATE 172409, DTG 130133Z JUL 76

BEGIN SECTION 2

19. (S) (PUBLICLY, THE FIVE-YEAR PLAN WILL REMAIN A FIVE YEAR
PLAN, EVEN THROUGH THE ACHIEVEMENT OF ALL OF THE ORIGINALLY-
PROJECTED GOALS BY 1980 IS RECOGNIZED AS UNREALISTIC.)

20. (S) MATERIEL STATUS. (NOTE: BRACKETED DATA ARE SECRET)
NUMEROUS ACQUISITIONS HAVE BEEN MADE AGAINST THE FLIP OVER THE
PAST YEAR. MOST NOTABLY (2) TOW ANTI-TANK COMPANIES HAVE BEEN
INTRODUCED AND REDEYE AIR DEFENSE MISSILES (70) HAVE BEEN OBTAINED
FOR THE GROUND FORCES. F-4D AIRCRAFT (17) WERE ADDED TO THE AIR
FORCES; AND COASTAL PATROL CRAFT WITH ARMAMENT (13) HAVE BEEN
ADDED TO THE SEA FORCES. OVERALL, LESS THAN FIVE PERCENT OF THE
FIP EQUIPMENT HAS BEEN DELIVERED.

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21. (U) FUNDING STATUS. OVERALL, 5.7 PERCENT OF THE FUNDING FOR THE ROK FIP HAS BEEN ACHIEVED. THE MAJOR FUNDING HAS BEEN IN THE AREA OF INDIVIDUAL AND UNIT WEAPONS/EQUIPMENT AND AIR DEFENSE FOR THE GROUND FORCES; TACTICAL AIRCRAFT AND TACTICAL AIR CONTROL SYSTEMS FOR THE AIR FORCES; AND ANTI-COASTLINE AND COASTAL PATROL CRAFT WITH WEAPONS/MISSILES FOR THE SEA FORCES.

22. (U) SUMMARY AND FUTURE OUTLOOK. THE ROK FORCE MODERNIZATION EFFORTS WHICH BEGAN IN 1971 WITH THE COMBINED ROK/US FIVE-YEAR MODERNIZATION PLAN HAVE EVOLVED INTO THE ROK FIVE-YEAR FORCE IMPROVEMENT PLAN. THE MOD PLAN REQUIREMENTS WHICH WERE NOT FUNDED AS ANTICIPATED HAVE BEEN SUBSUMED IN THE SUBSEQUENT PLANS, THE AD HOC PLAN AND NOW THE FIP. IT IS IMPORTANT TO UNDERSTAND, HOWEVER, THAT EVEN AFTER THE FIP HAS RUN ITS COURSE, THE REPUBLIC OF KOREA WILL HAVE ONLY NARROWED THE GAP IN TODAY'S VULNERABILITY. NORTH KOREA CONTINUES TO DEVOTE A MAJOR SHARE OF ITS RESOURCES TO IMPROVING ITS MILITARY ESTABLISHMENT, WHILE THE REPUBLIC OF KOREA FORCES WILL REQUIRE FURTHER IMPROVEMENTS IN SUCH AREAS AS COMMAND, CONTROL AND COMMUNICATIONS, AS WELL AS SUCH HIGHLY SOPHISTICATED AREAS AS BATTLEFIELD SURVEILLANCE, TARGET ACQUISITION, ELECTRONIC WARFARE EQUIPMENT, AIR CONTROL AND WARNING SYSTEM, ANTI-SUBMARINE WARFARE, AND MINE WARFARE.

23. TABLE 1 - REPUBLIC OF KOREA, GNP/NATIONAL BUDGET/DEFENSE
BUDGET SINCE 1953

PERCENT OF GNP

49 50 51 52 53 54 55 56 57

NATL BUDGET 10.0 10.0 -- -- 10.1 11.5 10.9 11.4 13.7

DEF BUDGET 5.0 5.0 -- -- 5.8 7.2 5.3 4.9 6.4

PCT OF GNP

58 59 60 61 62 63 64 65 66

NATL BUDGET 14.3 15.8 15.7 15.9 16.3 13.7 11.2 14.7 14.0

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DEF BUDGET 6.9 6.9 6.4 6.3 6.9 4.9 4.4 3.8 4.2

67 68 69 70 71 72 73 74 75 76

NATL BUDGET 15.1 16.9 18.0 17.2 17.9 14.4 13.2 14.1 16.6

DEF BUDGET 3.8 3.9 3.9 4.0 4.2 4.1 4.0 4.3 5.3 7

.3

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TABLE 2 - FIP COST BY VULNERABILITY AND CURRENT FUNDING STATUS
(DOLLARS IN MILLIONS)

| VULNERABILITY (SECRET) | COST (UNCLASSIFIED) | PERCENT REQUIRED (UNCLASSIFIED) | PERCENT FUNDED (UNCLASSIFIED) |
|---------------------------|------------------------|------------------------------------|----------------------------------|
| GROUND | (816.0) | 17.8 | 3.9 |
| AIR | (1,117.6) | 24.7 | 3.2 |
| SEA | (596.5) | 13.1 | 9.8 |
| COMMON | (2,016.6) | 44.4 | 6.7 |
| TOTAL | (4,546.7) | 100 | 5.7 |

PART II. US ROLE IN MUTUAL SECURITY EFFORTS IN THE REPUBLIC OF
KOREA

24. (S) A. US INTERESTS AND POLICY GUIDELINES. BECAUSE OF KOREA'S STRATEGIC LOCATION IN RELATIONS TO THE PEOPLE'S REPUBLIC OF CHINA, THE USSR, AND JAPAN, A STABLE, FRIENDLY GOVERNMENT IN THE REPUBLIC OF KOREA IS A KEY FACTOR IN THE BALANCE OF POWER IN ASIA. THIS CONSIDERATION, IN TURN, GIVES KOREA SUBSTANTIAL STRATEGIC IMPORTANCE TO THE UNITED STATES. IT WAS LARGELY FOR THIS REASON THAT THE US ENGAGED IN A MAJOR MILITARY CONFLICT AND SUBSEQUENTLY ENTERED INTO A LONG-TERM SECURITY COMMITMENT TO THE REPUBLIC OF KOREA. THESE FACTORS REMAIN ESSENTIALLY UNCHANGED. MOREOVER, US ECONOMIC INTERESTS IN THE REPUBLIC OF KOREA, BOTH FOR TRADE AND INVESTMENT, HAVE INCREASED SUBSTANTIALLY

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AND CONTINUE TO GROW. THE US SECURITY ASSISTANCE PROGRAM IN KOREA, SINCE ITS INCEPTION, HAS BEEN BASED ON THESE CONSIDERATIONS.

25. (U) WITH THE JAPANESE SURRENDER IN 1945, AND THE DIVISION OF KOREA AT THE 38TH PARALLEL, A US MILITARY ADVISORY EFFORT BEGAN WITH THE PURPOSE OF TRAINING AND EQUIPPING THE NEWLY FORMED KOREAN NATIONAL POLICE, COAST GUARD, AND CONSTABULARY WITH THE OBJECTIVES OF PROVIDING INTERNAL SECURITY AND COUNTERING INFILTRATION FROM THE NORTH.

26. (U) WITH THE ERUPTION OF THE KOREAN WAR, IN ADDITION TO COMMITTING COMBAT FORCES THE US UNDERTOOK A MAJOR EFFORT AT EXPANSION AND DEVELOPMENT OF ROK FORCES TO DEFEND AGAINST FURTHER ATTACK. US MILITARY ADVISORS FOUGHT ALONGSIDE THEIR COUNTERPARTS, WHILE IMPARTING INVALUABLE ADVICE AND KNOWLEDGE IN LEADERSHIP,

TACTICS AND EQUIPMENT USE AND MAINTENANCE. FOLLOWING THE ARMISTICE, THE ADVISORY EFFORT PEAKED IN TERMS OF PERSONNEL STRENGTH. ADVICE AND ASSISTANCE WERE PROVIDED AT SMALL-UNIT LEVELS IN BASIC TACTICS, LEADERSHIP AND TECHNICAL SKILLS. AT HIGHER LEVELS THE FOCUS WAS ON DEVELOPING TACTICAL TRAINING NEEDS, ADMINISTRATION, ORGANIZATION, AND INTELLIGENCE, AND WITHIN THE NEWLY

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NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-13 ACDA-07

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FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 9319
INFO SECDEF WASHDC
CINCUNC
COMUSKOREA

S E C R E T SECTION 2 OF 2 SEOUL 7123

JOINT EMBASSY/JUSMAG MESSAGE

ESTABLISHED MINISTRY OF NATIONAL DEFENSE ASSISTANCE WAS PROVIDED IN EVENTUAL FORCE INTEGRATION. THE OBJECTIVE WAS TO ESTABLISH AND MAINTAIN THE ROK FORCES ON A BASIS OF EQUALITY WITH THE NORTH KOREAN THREAT. AS THE KOREANS BECAME INCREASINGLY PROFICIENT IN HANDLING OPERATIONS AND ADMINISTRATION, ASSISTANCE WAS WITHDRAWN FROM THE LOWER LEVELS, WITH ASSISTANCE CENTERING ON THE DEVELOPMENT OF LOGISTICS PROCEDURES AND BASIC MANAGEMENT TECHNIQUES.

27. (U) IN 1971, THERE OCCURRED A FUNDAMENTAL SHIFT IN OBJECTIVES WITH THE FIRST MAJOR US DRIVE TO MODERNIZE THE ROK FORCES, IMPLEMENTED BY THE FIVE-YEAR MODERNIZATION PLAN. THIS EFFORT WAS CONCURRENT WITH THE WITHDRAWAL OF A US ARMY DIVISION FROM KOREA AND WAS IN CONSONANCE WITH THE OBJECTIVE OF FIRST BUILDING ROK GROUND FORCES, INCLUDING AIR DEFENSE, WITH THE UNDERSTANDING THAT IN AN ENCOUNTER, EXTERNAL AIR, NAVAL, AND LOGISTIC SUPPORT

WOULD BE FORTHCOMING. WHILE SECURITY ASSISTANCE FUNDING WAS ALMOST ENTIRELY WITH GRANT AID AND EDA, A MAJOR CHANGE IN FUNDING POLICY CAME ABOUT AS A SMALL AMOUNT OF FMS CREDIT WAS EXTENDED TO THE ROK FOR THEIR OWN PURCHASE OF NEW EQUIPMENT.

28. (S) IN 1973, THE PROGRAM ADDED EMPHASIS TO DEVELOPING ROK
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FORCES, ESPECIALLY AIR AND NAVAL CAPABILITIES, TO THE EXTENT PRACTICABLE. OPERATIONS AND MAINTENANCE COSTS WERE MOUNTING DUE TO INCREASED AGE OF WORLD WAR II AND KOREAN WAR VINTAGE EQUIPMENT WHICH COULD NOT BE REPLACED BECAUSE MODERNIZATION ITEMS FUNDED IN FY 71/72 HAD NOT BEEN DELIVERED. EFFORTS THEREFORE DIRECTED TO ENCOURAGING THE ROK TO REDUCE NONCOMBATANT, OVERHEAD MANPOWER AND EMPHASIZE EFFECTIVE MANAGEMENT OF ALL ROKG RESOURCES.

29. IN 1975, AS THE FORCE IMPROVEMENT PLAN CAME UNDER REVIEW, THE US ADVISORY EFFORT INCREASINGLY STRESSED SELECTIVE DEVELOPMENT OF ROK CAPABILITIES. US PROJECTIONS INDICATED THAT A LONGER PERIOD FOR ACCOMPLISHMENT OF THE FIP WOULD BE MORE REALISTIC DUE MAINLY TO FUNDING LIMITATIONS AND NONAVAILABILITY OF CERTAIN WEAPON SYSTEMS. THIS PROJECTION SUGGESTED THAT THE ROK SHOULD NOT EXPECT REALIZATION OF THE ENTIRE FIP ON THE SCHEDULE ORIGINALLY ENVISIONED AND WOULD NECESSARILY HAVE TO RELY ON THE US IN THE NEAR AND MID-TERM FOR SPECIALIZED FORMS OF COMBAT SUPPORT. (BEGIN SECRET - THESE WOULD INCLUDE LONG RANGE FIREPOWER; HIGH INTENSITY AIR DEFENSE; SUPPLEMENTAL CLOSE AIR SUPPORT. END SECRET) THE ROK WOULD OF COURSE CONTINUE TO DEPEND ON THE US FOR LOGISTIC SUPPORT, AS WELL.

30. MAJOR EFFORTS ARE NOW DIRECTED IN THE DEVELOPMENT OF THE MIDDLE AND UPPER MANAGEMENT LEVELS OF THE ROK DEFENSE ESTABLISHMENT. GUIDANCE IS PROVIDED TO THE ROKG IN PLANNING, PROGRAMMING, AND BUDGETING THE FIP, THUS ASSISTING IN ITS ANNUAL REPHASING AND COSTING. END SECTION 2. MORE TO FOLLOW.
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